



STEVEN M. FULOP  
MAYOR OF JERSEY CITY

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**\*\*\* Press Release \*\*\***

### ***Jersey City Braces for Economic Impact: Projected Financial Loss of \$70 million Amid COVID-19 Crisis***

*Revenue Loss Coupled with Emergency Response Expenses has Potential to Cripple Municipalities Nationwide with little State or Federal Assistance in Sight*

JERSEY CITY – **Mayor Steven M. Fulop** shared details on Wednesday around Jersey City’s projected financial exposure amid the COVID-19 health crisis with the anticipated budget impact totaling \$70 million – \$50 million in revenue loss coupled with \$20 million in added expenses in response to the health crisis. As cities large and small all across the nation can expect to see the rippling economic effects of the coronavirus pandemic, the help needed at the local level from state and federal government is significant.

“There’s no playbook for us to follow on this and we are looking to save money wherever possible to minimize the impact for residents,” said **Mayor Fulop**. “It’s going to take time for us to recover, for our restaurants and small businesses to bounce back from this unimaginable crisis. That’s why we need help from the state and federal level.”

The \$50 million in unanticipated revenue loss takes into account significant impacts to the Payroll Tax, economy layoffs, businesses being closed down, and the lack of Municipal Court fines, Construction Code fees, parking enforcement, among other critical financial factors.

The \$20 million in appropriation increases used directly to safeguard the community include unanticipated emergency purchases, increased health benefit costs, overtime, etc. As we await financial support and guidance from the state and federal government, the city is also faced with additional pressure of fixed statutory obligations such as pension payments, health benefits, and union negotiated salaries.

“The City Council is focusing not only on our response to this current crisis and what our residents are going through, but we also need to plan for what lies ahead and that reality comes with some really tough decisions,” said **Council President Joyce Watterman**. “I’m really proud of how Jersey City has been a leader for others to turn to during times of hardship, and I know we’ll tackle the next difficult

phase that we all inevitably face. It's the unfortunate truth, but it's better to be prepared than be blindsided."

The financial exposure Jersey City anticipates is unique compared to most New Jersey municipalities in that there is a wide array of economic impacts, spanning various industries that help lay the foundation for the city's tax base, from tourism to one of the largest transportation hubs in the region, among other mitigating factors that have been severely impacted by this health crisis.

"Per the Mayor's direction, since day one of this crisis we've been carefully monitoring and reassessing potential implications of recent economic conditions," said **John Metro, Director of the city's Department of Finance**. "We are working to re-evaluate our city's needs in a thoughtful and practical way to continue to harness a stable tax rate, while maintaining the critical services our residents rely on."

The coronavirus impact comes 3 months after the City of Jersey City dealt with the mass shooting on December 10<sup>th</sup>, which also had a big impact on the city's overtime budget.

"We've had two major crisis in the last few month here in Jersey City. The first, on December 10<sup>th</sup> with a mass shooting. And now, this international pandemic. I have no doubt that as long as we all work together, we'll come out stronger on the other side of this," concluded Mayor Fulop.

**All media inquiries should be directed to Kimberly Scalcione, Press Secretary to Mayor Steven M. Fulop at [KScalcione@jcnj.org](mailto:KScalcione@jcnj.org) or 201-376-0699. ///**